



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

July 2004

Dear Provider:

The purpose of this letter is to alert you to upcoming changes that may affect how you currently submit claims to the Michigan Department of Community Health (MDCH).

First, however, I would like to take this opportunity to thank those of you submitting claims in the HIPAA-compliant formats. Currently, 60% of institutional claims and 70% of professional claims are submitted in compliant electronic formats -- a significant increase.

Although the volume of HIPAA-compliant claims has steadily increased, we must, like Medicare, Blue Cross Blue Shield, and other insurers, achieve 100% compliance. To that end, MDCH will be executing the following steps of the HIPAA implementation plan:

- Effective immediately, MDCH will no longer allow new providers or electronic billing agents to use noncompliant electronic formats.
- Effective November 1, 2004, Michigan Medicaid will only accept the ANSI X12 837A1 for professional, institutional, and dental electronic claims from current submitters. (If you are currently submitting claims in a nonstandard electronic format, please take immediate action to ensure that you are able to convert to a standard format effective November 1.)
- Beginning January 2005, the HIPAA 835 Electronic Remittance Advice (ERA) will be the only electronic format available for receiving payment/remittance data.

In addition to the changes noted above, effective in late July, the MDCH will begin accepting Medicare crossover claims for Part B services processed through Wisconsin Physician Services (WPS). Information regarding crossover claims was issued in Medicaid Policy Bulletin All Provider 04-05 issued June 1, 2004. A copy of the bulletin, as well as other provider information, is available on the MDCH website at www.michigan.gov/mdch, click on Providers, Information for Medicaid Providers.

The MDCH and Blue Cross Blue Shield of Michigan will jointly sponsor HIPAA Readiness Seminars for electronic trading partners and vendors in August 2004. Communication regarding specific dates, times, and locations will be coming in a special EDI mailing and will be made available on the MDCH website.

I look forward to working with you toward full HIPAA compliance and achieving the administrative savings that will be achieved through standardization of claims preparation.

Sincerely,

Paul Reinhart, Director
Medical Services Administration

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